

VZCZCXYZ0009
OO RUEHWEB

DE RUEHSO #0183 0991608
ZNR UUUUU ZZH
O 081608Z APR 08
FM AMCONSUL SAO PAULO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8120
INFO RHEHNSC/NATIONAL SECURITY COUNCIL WASHDC IMMEDIATE
RUEHBR/AMEMBASSY BRASILIA PRIORITY 9253
RUEHRI/AMCONSUL RIO DE JANEIRO PRIORITY 8673
RUCPDO/USDOC WASHDC 3057

UNCLAS SAO PAULO 000183

SIPDIS

SIPDIS

STATE INR/R/MR; IIP/R/MR; WHA/PD

DEPT PASS USTR

USDOC 4322/MAC/OLAC/JAFEE
E.O. 12958: N/A

TAGS: [KMDR](#) [OPRC](#) [OIIP](#) [ETRD](#) [BR](#)

SUBJECT: MEDIA REACTION: WESTERN HEMISPHERE: VENEZUELA, CHAVEZ'S
REGIONAL AND INTERNATIONAL INFLUENCE

"Chavez loses support due to shortage and inflation"

Business-oriented Valor Econtmico (4/8) states: "Since losing the December referendum that would change the Constitution, President Hugo Chavez' popularity has declined systematically...there are shortages of bread, milk and other basic goods in supermarkets while prices keep soaring. Venezuela already has the highest rate of inflation in Latin America... . The economic policies of the president [Chavez] are to blame for the significant distortions the country faces nowadays... .The endless nationalizations...overvalued exchange rate...creation of a severe law to fight stocking of goods...criminalizing the release of the exchange rate on the black market...trying to deter imports...limiting credit card purchases... are cosmetic measures that will not bring balance back to the economy and, therefore, will affect Chavez' popularity even more at a time when he needs to win a new political battle. There will be elections for governor in the second semester and the opposition...may win and crack the until now monolithic power model of the Bolivarian leader.
White